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Claim 44. The investment machine of claim 35, further comprising an investment report disburser associated with the processor and configured to disburse a report associated with the investor's unique identifier.

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**REMARKS**

Claims 1-31 are currently pending in the application. Applicant has canceled claims 18-31 in light of a restriction requirement, amended claim 1 to correct a typographical error, and added new claims 32-44. Applicant requests reconsideration of the application in light of the following remarks.

**Restriction Requirement**

Applicant wishes to make of record the restriction requirement made by the Examiner and Applicant's election made on January 31, 2002 during a telephone conference between Examiner Ponvil and Applicant's attorney Kenneth Booth. The Examiner required restriction among Group I (claims 1-17), Group II (claims 28-31) and Group III (claims 18-27). Applicant elected Group I, claims 1-17 and expects to pursue Groups II and III in subsequent divisional applications.

**Objections to the Specification**

The specification has been objected to for containing informalities in the Abstract. Applicant has amended the Abstract to address the Examiner's concerns and respectfully requests that the Examiner withdraw the objection to the specification.

**Applicant's Invention**

Applicant's invention is particularly novel and nonobvious because it provides a simple system whereby small investors may invest in securities such as stocks, bonds, mutual funds, certificates of deposit and commercial papers, which typically require direct contact with a securities broker, without the conventionally required large initial deposit

amounts (typically \$500-\$20,000) and transaction amounts (typically \$8-\$1000 per transaction) typically paid to the securities broker. The costs to manage a securities investment portfolio and to allow customers to frequently invest small amounts of money are inherently restrictive due to the conventional costs of managing the accounts and making the transactions. Applicant's novel approach to securities investing, which places money receivers and identifiers in automated investment machines and provides investment options to even small investors, allows anyone to invest money in securities without the extreme initial deposit amounts and transaction amounts. Thus, even small amounts such as \$2.00 or \$20.00 may be invested economically. Applicant's invention also uniquely and economically makes these investment machines widely available to the general public.

#### **Rejections under 35 U.S.C. § 103**

Claims 1-11 were rejected by the Examiner under 35 U.S.C. § 103(a) as being unpatentable over Mori et al. (U.S. Patent No. 6,070,148, hereinafter "Mori"), in view of Lucas et al. (U.S. Patent No. 4,751,640, hereinafter "Lucas"). Applicant respectfully traverses this rejection and requests reconsideration of the claims.

#### **I. The Claims are Not Obvious**

The combination of references referred to by the Examiner fails to provide a *prima facie* showing of obviousness as required by §2143 of the Manual of Patent Examining Procedure (MPEP). Three criteria must be met to provide *prima facie* obviousness. The first of these is a suggestion or motivation in the references or the knowledge generally available to combine the reference teachings. The second is that the prior art must teach or suggest all of the claim limitations. The third is that a reasonable expectation of success must exist should the combination be carried out. Applicant submits that all of these elements are lacking in the Examiner's rejection.

A. No Motivation or Suggestion to Combine References

When applying 35 U.S.C. § 103, the references must be considered as a whole and must suggest the desirability and, thus, the obviousness of making the combination. *Hodash v. Block Drug Co., Inc.*, 786 F.2d 1136, 1143, n. 5, 229 USPQ 182, 187, n. 5 (Fed. Cir. 1986). Applicant submits that references cannot be considered collectively until the Examiner points to some motivation to combine those references. The purpose behind this requirement is to prevent the Examiner from using the invention itself and hindsight reconstruction to defeat the patentability of the invention. The Federal Circuit, in a recent decision, articulates this position:

To prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. In other words, the examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.

*See In re Rouffet et al.*, No. 97-1492, 1998 U.S. App. Lexis 16414, at 15-16 (Fed. Cir. July 15, 1998).

The Examiner, after reviewing Applicant's disclosure, has alleged that it would have been obvious to combine the teachings of Mori with those of Lucas to obtain an investment system within a housing because the investment machine could thereby have been displayed in public whereby a company could attract a larger number of customers in return for a financial gain. Applicant strongly disagrees that any such motivation or desirability is supported by the disclosures of Mori or Lucas, alone or in combination.

Mori teaches to manage transaction balances and transfer money between accounts through interface with an ATM-like machine which accepts an IC card, which necessarily

includes a CPU and memory (col. 5, lines 9-15), reads the account balance and transaction record data from the IC card, coordinates it with other account balance and transaction record data within the system, and allows a user to transfer money between accounts and track it through the system. (See also FIG. 11, col. 10, lines 19-47, and FIG. 13). The ATM embodiment in Mori includes a housing, a display, an IC reader/writer with a CPU and memory, and a processor in the housing. See col. 7, lines 28-37. The "money" transferred between accounts is not received or identified by the ATM; the IC card merely stores a database of settlement transaction account information including an accumulative management amount of money settled or spent in transactions between the user and a business. (See col. 10, lines 19-47). Mori relates to transactions of commodities. See col. 5, lines 58-67. Mori does not teach or suggest that its system could be used to receive or identify money at the ATM, or that the ATM could be used to purchase securities, a purchase which by law must be done through a securities broker complying with specific requirements.

Lucas teaches a system for use by a bank's banking customers with extremely large amounts of idle funds (uses a dollar amount around or less than \$500,000 as an exemplary large amount of idle funds at col. 1, lines 27-40). Even if amounts may be less than \$500,000, the system is intended for only "large amounts" of money exceeding a set minimum. See col. 1, line 41 to col. 2, line 24. The justification for the need to transfer the amounts is the desire to earn interest on large amounts of funds received at the end of a day or in odd amounts by investing them in short term investments rather than just letting them sit overnight or until additional funds are received in the account. See col. 1, line 41 to col. 2, line 24.

The invention of Lucas is directed to a bank business customer with an existing account containing a large amount of excess money at the investment bank. The business customer can access the offered investment information and the business's account at a computer terminal in the bank or, if previously arranged, at a computer terminal at the

business's office. The business can invest the excess money in the account up to the amount of excess inventory being offered by the bank. *See* col. 7, lines 5-30. Again, Lucas must be taken as a whole and interpreted in the context in which it is offered: as a system for allowing bank customers to transfer large amounts of excess funds in their bank accounts for temporary investment in a security account offered by the bank. There is no need for wider dissemination of machines because the money is being transferred only within a single bank. When the business customer is done with its transaction, a bank operator confirms the transaction, prints a hard copy of the transaction for the bank and *then* the controller transmits the trade data to the customer's terminal. *See* col. 6, line 64 to col. 7, line 5. Thus, the transaction apparently still requires a bank operator to personally interact with the business customer. The customer's bank records are adjusted accordingly. Lucas relates to the purchase of excess security interests in large money amounts from business customers with accounts at the bank. Lucas does not teach or suggest that its system could be used to receive or identify money at a remote terminal, or that the system could or should be used for anything less than large amounts of excess funds in business bank accounts.

It would not have been obvious to combine the investment system of Lucas with the ATM-like housings of Mori to obtain a system which would then attract a larger number of customers because the potential users of the investment system of Lucas are inherently limited in number to those with sufficient excess funds in business accounts at an investment bank. There is no indication that a business customer dealing with the large dollar amounts involved in the investment transactions of Lucas would have a desire to transfer the large amounts of money from a public location outside the bank or the customer's private office.

Accordingly, and as further discussed below, without knowledge of Applicant's system, which receives and identifies even small amounts of money for investing in securities by the common public, it would not have been obvious to combine the references as alleged by the Examiner. Applicant, therefore, respectfully requests that the obviousness rejection be withdrawn.

II. Cited References Do Not Teach the Claim Limitations

While Applicant maintains that the proposed combination of Mori and Lucas is improper, even if the cited references were combined, the references do not teach all of the claim limitations. A combination of the teachings and inventions of Mori and Lucas, if at all considered, would not result in Applicant's claimed invention.

Applicant's claim 1 recites, "a money receiver at least partially enclosed within the housing and configured to **receive and identify money** to be invested; and a processor . . . configured . . . to transmit a signal representative of the input for use in investing at least a portion of the money . . . ." As detailed above, neither Mori nor Lucas teaches or suggests a money receiver which is configured to receive and identify money to be invested. Even if it were obvious to combine the teachings of Mori and Lucas, and Applicant maintains it is not, incorporation of the investment system of Lucas into the ATM-like housing of Mori would result only in a system whereby an investment banking customer could transfer excess funds from the customer's bank account to an investment account to purchase the excess securities inventory of the bank. No money would be received or identified by the ATM. The Lucas investments are only for remotely transferring funds for investment from one account to another within the same bank, and not for receiving investment money. When combined with Mori, the combined invention would still only track and transfer the funds from one account within the bank to the investment account within the same bank. Therefore, independent claim 1 is not made obvious by and is allowable over the combination of Mori and Lucas. Dependent claims 2-11 are allowable, among other reasons, for depending from allowable claim 1.

### III. Cited References do not Provide Reasonable Expectation of Success

The cited references do not provide a reasonable expectation that combining them as proposed by the Examiner would provide the financial gain the Examiner cited as motivation to combine them. The Examiner argues one would be motivated to implement the large amount investment system of Lucas with the ATM-like transaction system of Mori to get a housed public investment system for a greater amount of customers and profits. However, the Federal Circuit has held that “obvious to experiment” is not the standard for obviousness. *In re Dow Chemical*, 5 USPQ2d 1529 at 1532 (Fed. Cir. 1988). In moving from the prior art to the claimed invention, one cannot base a determination of obviousness on what the skilled person might try or find obvious to try. The proper test requires determining whether the prior art provides an expectation of success.

Conventional investment systems require minimum account balances and charge brokerage fees and transaction fees for each securities transaction. This limits who can invest in securities accounts. The Lucas disclosure, which is directed to large dollar amounts which are already held by the bank, supports this understanding. The bank already controls the money in Lucas and would be motivated to provide the large amount investment options to its own customers to keep the money in the bank, thereby retaining the ability to offer the money to others as loans. The general public, however, would not have any use for such a system. If attempted, an ATM-like system through which investors could transfer large amounts of money for purchasing excess securities of a bank would likely fail and, therefore, does not have a reasonable expectation of financial success. As disclosed in Applicant’s specification, through numerous methods Applicant has made securities investments available to the general public through an investment machine which receives the money at the investment machine (which money the investment machine did not have previous to receiving it from the investor) and provides investment options for the investor. A skilled person would not be led to create an investment machine such as that claimed in Applicant’s specification without knowledge of Applicant’s invention because of the restrictive

additional costs involved in securities transactions. Prior to Applicant's discovery and invention, such a system was not contemplated or believed financially feasible. Therefore, no reasonable expectation of success existed.

Applicant respectfully requests that the obviousness rejections of claims 1-11 be withdrawn.

**Rejections under 35 U.S.C. § 102**

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. *Verdegaal Brothers v. Union Oil Co. of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The identical invention must be shown in as complete detail as is contained in the claim. *Richardson v. Suzuki Motor Co.*, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

The Examiner has stated that "the changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122 (b)." While Applicant does not believe this directly affects the response to the presently pending claims, Applicant does wish to note that the present application was filed on or after November 29, 2000 (**filing date 6/21/2001**), and that the AIPA does apply to the examination of this application.

Claims 12-17 were rejected by the Examiner under 35 U.S.C. § 102(b) as being anticipated by Mori. Applicant respectfully traverses this rejection and requests reconsideration of the claims.

Independent claim 12 recites a method of investing money comprising: "receiving money at an investment machine from the at least one person; . . . and investing at least a



portion of the money on behalf of the at least one person . . . .” The Examiner correctly states that Mori discloses an integrated circuit (IC) card for use in user identification and which includes a processor and memory to collect information and related settlement transaction account balances to manage money settled or spent. (See column 5 lines 5-30 and column 10 lines 20-45 and figures 14-15). However, Mori, as discussed previously herein, does not disclose either “receiving money at an investment machine” or “investing” any of the money. Mori includes a list of accounts from which funds may be drawn or transferred, but does not receive any money at the investment machine. Mori merely provides a conduit through which a user can access each of the different companies attached thereto, and does not conduct any business for the machine. The processor on the identification card of Mori stores information regarding the accounts of the user from which money can be transferred or to which money may be charged by the business. The transaction is completed and money is eventually transferred by and to the business through which the transaction is made, not through the ATM-like machine display. Furthermore, while Mori mentions conducting commodity transactions through its system, it does not “invest” any money. Applicant’s specification clearly states that “to ‘invest’ or make an ‘investment’ is intended to encompass an exchange of money for a security such as may be handled by an investment broker . . . .” See Specification, p. 6, lines 15-18. Because Mori does not disclose each and every element of claim 12, Mori does not anticipate claim 12. Claim 12 is, therefore, allowable over Mori. Dependent claims 13-14 are allowable over Mori, among other reasons, for depending from allowable claim 12.

Independent claim 15 recites a method of investing money comprising: “placing money to be invested into the investment machine; and selecting a current investment preference option at the investment machine.” As discussed with respect to claims 1 and 12 above, Mori does not disclose **placing any money to be invested** into any machine. Mori relates to coordinating and tracking transactions through the display and transferring money between accounts. No money is received at the machine of Mori. Claim 15 is, therefore,

allowable over Mori. Dependent claims 16 and 17 are allowable, among other reasons, for depending from allowable claim 15.

Applicant respectfully requests that the anticipation rejections of claims 12-17 be withdrawn.

#### **New Claims**

New claims 32-44 specifically relate to embodiments of the invention which receive cash such as bills and/or coins from investors. Claims 32-44 are allowable for the reasons recited in support of their corresponding claims among claims 1-17. Additionally, new claims 32-44 are further allowable over the art cited for relating specifically to investing money through bills and/or coins. Neither Mori nor Lucas teach, suggest or even contemplate cash investments through a system such as is claimed and disclosed in Applicant's application.

In summary, and in view of the amendments herein, none of the references cited by the Examiner nor any other known prior art, either alone or in combination, disclose the unique combination of features disclosed in Applicant's claims presently on file. For this reason, allowance of all of Applicant's claims is respectfully solicited.

#### **Regarding Doctrine of Equivalents**

Applicant hereby declares that any amendments herein that are not specifically made for the purpose of patentability are made for other purposes, such as clarification, and that no such changes shall be construed as limiting the scope of the claims or the application of the Doctrine of Equivalents.



Docket No. BURD-0275

**CONCLUSION**

If any fees, including extension of time fees or additional claims fees, are due as a result of this response, please charge Deposit Account No. 19-0513. This authorization is intended to act as a constructive petition for an extension of time, should an extension of time be needed as a result of this response. The Examiner is invited to telephone the undersigned if this would in any way advance the prosecution of this case.

Respectfully submitted,

Date: April 26, 2002

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**VERSION WITH MARKINGS TO SHOW CHANGES MADE**

**In the Specification**

**Abstract**

An investment system and method of investing [is disclosed] whereby an investor may invest an amount of money through an investment machine at a convenient location. The investment machine may be independent of other investment machines, or may be networked to a plurality of investment machines accessing common databases. Embodiments of the invention involve receipt of a unique identifier, money and current investment preferences at the investment machine and initiation of the investment of the money on behalf of the investor by the investment machine. The investment machine may also be configured to display select advertising materials. Also disclosed is a reward or gift system whereby investment codes, having investable amounts associated therewith, may be either sold or given as a reward to encourage investment or other behavior by an investor.

**In the Claims**

Claim 1. (Amended) An investment machine for public use and display, the investment machine comprising:

- a. a housing;
- b. a display at least partially enclosed by the housing and viewable by an investor adjacent to the housing;
- c. an investor identifier at least partially enclosed within the housing and configured to receive a unique identifier from the investor;
- d. a money receiver at least partially enclosed within the housing and configured to receive and identify money to be invested; and
- e. a processor at least partially enclosed within the housing and configured to receive input from the investor [identifier] and to transmit a signal

representative of the input for use in investing at least a portion of the money in association with the unique identifier received from the investor.

Claim 2. (Unchanged) The investment machine of claim 1, further comprising an investment selector interface configured to receive an investment preference from the investor and transmit the investment preference to the processor.

Claim 3. (Unchanged) The investment machine of claim 2, wherein the investment selection interface includes at least one of a touch screen display, a touch sensitive surface, and a button.

Claim 4. (Unchanged) The investment machine of claim 2, wherein the investment selector is configured to receive the investment preference from the investor at substantially the same time as the money receiver receives and identifies the money to be invested.

Claim 5. (Unchanged) The investment machine of claim 1, further comprising a network communication connection coupled to the processor, the network communication connection configured to couple the processor of the investment machine to a central processor configured to store and coordinate investments made at each of a plurality of investment machines.

Claim 6. (Unchanged) The investment machine of claim 5, wherein the network communication connection is further configured to couple the processor of the investment machine to the central processor at substantially the same time as the investor identifier receives the unique identifier from the investor.

Claim 7. (Unchanged) The investment machine of claim 1, wherein the display is configured to display at least one of investment information, advertising information, and account information.

Claim 8. (Unchanged) The investment machine of claim 7, wherein the advertising information is selected on the basis of one or more of an investor's investment activities, an investor's personal information, a location at which the investment machine is located and an identity of a sponsor of the investment machine.

Claim 9. (Unchanged) The investment machine of claim 7, wherein the advertising information is one or more of an informational presentation, a tutorial, a news story, and other information relating to a particular company or its product in which an investor may desire to invest.

Claim 10. (Unchanged) The investment machine of claim 1, wherein the money receiver is configured to receive one or more of a coin, a bill, a magnetic strip card, a bar code, a smart card and an alphanumeric code.

Claim 11. (Unchanged) The investment machine of claim 1, further comprising an investment report disburser associated with the processor and configured to disburse a report associated with the investor's unique identifier.

Claim 12. (Unchanged) A method of investing money, the method comprising:  
associating a unique identifier with at least one person;  
receiving money at an investment machine from the at least one person;  
receiving current investment preferences through the investment machine from the at least one person; and

investing at least a portion of the money on behalf of the at least one person in accordance with the current investment preferences.

Claim 13. (Unchanged) The method of claim 12, wherein receiving money at an investment machine comprises receiving at least one of a coin, a bill, a magnetic strip card, a bar code, a smart card and an alphanumeric code.

Claim 14. (Unchanged) The method of claim 12, wherein receiving current investment preferences through the investment machine comprises receiving at least one of an indication from the investor that an investment option provided by the processor is preferred, an investment option preselected by the investor is preferred, and an investment option provided by the investor at the time of the indication is preferred.

Claim 15. (Unchanged) A method of investing money using an investment machine, the method comprising:

inputting a unique identifier into an investment machine;  
placing money to be invested into the investment machine; and  
selecting a current investment preference option at the investment machine.

Claim 16. (Unchanged) The method of claim 15, further comprising receiving an investment report from the investment machine.

Claim 17. (Unchanged) The method of claim 15, wherein the money to be invested is in the form of at least one of a coin, a bill, a magnetic strip card, a bar code, a smart card and an alphanumeric code.

Claims 18-31 Canceled.

Claim 32. (New) A method of investing money using an investment machine, the method comprising:

inputting a unique identifier into an investment machine;  
placing at least one of a coin and a bill to be invested into the investment machine; and  
selecting a current investment preference option at the investment machine.

Claim 33. (New) The method of claim 32, further comprising receiving an investment report from the investment machine.

Claim 34. (New) The method of claim 32, wherein selecting a current investment preference option at the investment machine comprises providing at least one of an indication that an investment option provided by the processor is preferred and an indication that a preselected investment option is preferred.

Claim 35. (New) An investment machine for public use and display, the investment machine comprising:

a housing;

a display at least partially enclosed by the housing and viewable by an investor adjacent to the housing;

an investor identifier at least partially enclosed within the housing and configured to receive a unique identifier from the investor;

at least one of a coin receiver and a bill receiver at least partially enclosed within the housing and configured to receive and identify money to be invested; and

a processor at least partially enclosed within the housing and configured to receive input from the investor identifier and to transmit a signal representative of the input for use in investing at least a portion of the money in association with the unique identifier received from the investor.



Claim 36. (New) The investment machine of claim 35, further comprising an investment selector interface configured to receive an investment preference from the investor and transmit the investment preference to the processor.

Claim 37. (New) The investment machine of claim 36, wherein the investment selection interface includes at least one of a touch screen display, a touch sensitive surface, and a button.

Claim 38. (New) The investment machine of claim 36, wherein the investment selector is configured to receive the investment preference from the investor at substantially the same time as the money receiver receives and identifies the money to be invested.

Claim 39. (New) The investment machine of claim 35, further comprising a network communication connection coupled to the processor, the network communication connection configured to couple the processor of the investment machine to a central processor configured to store and coordinate investments made at each of a plurality of investment machines.

Claim 40. (New) The investment machine of claim 39, wherein the network communication connection is further configured to couple the processor of the investment machine to the central processor at substantially the same time as the investor identifier receives the unique identifier from the investor.

Claim 41. (New) The investment machine of claim 35, wherein the display is configured to display at least one of investment information, advertising information, and account information.

Claim 42. (New) The investment machine of claim 41, wherein the advertising information is selected on the basis of one or more of an investor's investment activities, an investor's personal information, a location at which the investment machine is located and an identity of a sponsor of the investment machine.

Claim 43. (New) The investment machine of claim 41, wherein the advertising information is one or more of an informational presentation, a tutorial, a news story, and other information relating to a particular company or its product in which an investor may desire to invest.

Claim 44. (New) The investment machine of claim 35, further comprising an investment report disburser associated with the processor and configured to disburse a report associated with the investor's unique identifier.